

**Proposal To Provide
Independent Auditing Services for
Florida Clerks of Court Operations Corporation**



November 23, 2021

**Proposal of:
Law, Redd, Crona & Munroe, P.A.
2075 Centre Pointe Boulevard, Suite 200
Tallahassee, Florida 32308
Firm Contact: Dana Powell, CPA, Partner
dpowell@lrcm.com**

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TRANSMITTAL LETTER



Law, Redd, Crona & Munroe, P.A.
Certified Public Accountants

November 23, 2021

Mr. John Dew
Executive Director
Florida Clerks of Court Operations Corporation
2560-102 Barrington Circle
Tallahassee, Florida 32308

Dear Mr. Dew:

We are pleased to present our credentials to continue to provide financial auditing services to Florida Clerks of Court Operations Corporation (CCOC). We understand the scope of services shall include the annual audit for CCOC for the fiscal year ending September 30, 2022, with the option to renew for two additional one year terms.

Law, Redd, Crona & Munroe, P.A. (LRCM) offers local firm access with large firm experience and we look forward to continuing our relationship with CCOC. Our engagement team is experienced, attentive and thorough.

We have responded to all of the required elements of the Request for Quote. We trust you will find our responses to be complete; however, should you have any questions regarding this proposal or desire any supplemental information, please call Dana Powell at (850) 878-6189, as the authorized representative of Law, Redd, Crona & Munroe, P.A. Thank you for considering our firm.

Very truly yours,

Dana D. Powell, CPA

DP:alt

FIRM PROFILE AND QUALIFICATIONS

Firm Profile and Qualifications

Who We Are

Law, Redd, Crona & Munroe, P.A. (LRCM), was founded in 1978 and has been serving clients for over 40 years. We have achieved a reputation for providing high quality accounting, audit, tax and consulting services to clients in the Tallahassee area and throughout Florida. We strive to understand our clients' business environments, allowing us to tailor our services to meet their individual needs. Our team of professionals works together to deliver each client complete and innovative solutions that are responsive, timely and create value.

Our firm includes eight partners, one manager, three senior accountants and three staff accountants and is structured into functional service units: audit, tax, compilation and review services. Within these service units, professionals are organized by their industry specialization. Included in our professional staff are nine CPAs. Our professional staff are supported by four administrative personnel.

LRCM has the depth of experience with governmental entities, specifically component units of the State of Florida, that provides the engagement team with the ability and experience to conduct the audit effectively and efficiently with minimal interference in your daily operations.

Many of our governmental and not-for-profit clients receive federal and state grants which are subject to single audit testing. We have extensive experience with the audit and reporting requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Government Auditing Standards*, the Florida Single Audit Act and Chapter 10.550, Rules of the Auditor General, Local Government Entity Audits. We have performed grant-specific audits, provided assistance with cost allocation plans, evaluated controls over grant compliance, and assisted clients in organizing the structure of their general ledger to better account for grant activity. Our professionals regularly attend continuing education courses to stay informed about auditing techniques and regulatory changes associated with grant reporting.

All of our professionals have specific experience providing accounting and auditing services to governmental entities. In addition, the firm's Information Technology Manager, Jon Ingram, is a Certified Information System's Auditor (CISA), a certification sponsored by the Information Systems Audit and Control Association (ISACA). CISA is for professionals with experience in information systems auditing, control and security. Jon is also a Certified Information Technology Professional (CITP) with credentials through the American Institute of Certified Public Accountants (resume on page 12).

Our goal is to provide our clients with the highest quality services to meet their reporting requirements and deadlines. Our team of professionals work together to deliver each client a complete solution based on our full range of services including accounting and audit, tax, information systems and management consulting. Our full-service capabilities allow us to help clients with diverse business interests respond to the challenges of operating in a constantly changing business environment. We consider our client deadlines to ensure that we have the resources to meet your needs and commit to providing exceptional service in a timely manner. We fully understand your engagement objective, the scope of work to be performed and are personally committed to meeting the engagement needs in a practical way.

Clients Served by Law, Redd, Crona and Munroe, P.A.

LRCM's commitment to provide professional services to the public sector is demonstrated by its state and local government clients and the experience of its personnel assigned to the engagement. LRCM's public sector practice has a statewide presence. Our prior experience serving as CCOC's auditors the past two years, along with our familiarity with similar organizations, will enable us to focus directly on engagement objectives. See below for a sample of governmental clients served.

- * The Able Trust
The Auditor General, State of Florida
Blueprint Intergovernmental Agency
Capital Region Transportation Planning Agency
City of Tallahassee, Florida
Consolidated Dispatch Agency
The Florida Bar
- * Florida Birth-Related Neurological Injury Compensation Association, Inc.
Florida Comprehensive Health Association
Florida Department of Business and Professional Regulation
Florida Department of Children & Families
Florida Department of Economic Opportunity
Florida Department of Financial Services
Florida Department of Legal Affairs
Florida Department of Management Services
Florida Department of Revenue
Florida Developmental Disabilities Council
- Florida Emergency Communications
Number E911 System Fund
- * Florida Engineers Management Corporation
Florida Fish & Wildlife Commission
- * Florida Housing Finance Corporation
The Florida Legislature
The Florida Lottery
Florida Transportation Commission
Florida Utility Financing Commission
Gadsden County, Florida
Gulf Consortium
Leon County, Florida
Leon County School District
- * Northwest Florida Water Management District
Osceola County, Florida
Pinellas County License Board
- * Suwannee River Water Management District
Tallahassee Community College

* Component units of the State of Florida included in the State's Comprehensive Annual Financial Report.

Services in accounting, audit, tax and consulting provided to our governmental clients include:

- Annual Yellow Book audits
- Single audits of state and federal awards
- Comprehensive Annual Financial Report (CAFR)
- Reports on internal control and compliance
- Reports to the audit committee
- Annual reports to the Florida Department of Financial Services
- Department of Education's Redbook requirements
- Management letters
- Conventional and bond financings (including taxable and tax-exempt bonds)
- Feasibility studies
- Operations review
- Cost benefit analyses
- Financial forecasts and projections
- Cost allocation plans
- Agreed-upon procedures

License to Practice in the State of Florida

LRCM, as well as all key members of the engagement team assigned to CCOC, are properly licensed to practice public accounting in Florida. Florida License Numbers for each key member are included on the resumes provided in this proposal.

Independence

Law, Redd, Crona & Munroe, P.A. is independent of CCOC as defined by auditing standards generally accepted in the United States of America. Generally accepted auditing standards require auditors to apply the independence conceptual framework at the audit organization, audit and individual auditor levels when evaluating audit independence. LRCM has applied safeguards to eliminate the possibility that any threat to independence exists. LRCM will continue to apply independence standards as noted above and follow established firm policies and procedures to monitor independence on a routine basis.

Education, Training and Professional Development

LRCM recognizes the critical importance of continuing professional education and self-development and has developed coordinated programs to ensure that all partners, managers and staff continue to meet the Firm's standards of professional excellence.

We require each professional, including partners, to participate in a minimum of 80 hours of formal continuing education programs over a two-year period, which is mandated by the Florida Board of Accountancy. Many of our professionals exceed that requirement. Included in that requirement is four hours of continuing professional education in Ethics every two years.

LRCM subscribes to an online resource that provides access to webinars, self-study and conferences for all of our professional staff. Our professionals are also encouraged to attend meetings and conferences that provide continuing education in person. The firm also periodically sponsors in-house continuing education courses which include client attendees as well as staff members.

In an age of new and updated accounting and auditing standards, rapid technological and environmental change and increasing specialization, the need for such development among business professionals is essential. LRCM's commitment to continuing education helps our professionals provide the highest quality service to our clients.

Our Investment and Use of Technology

The most important thing we have learned from the COVID-19 Pandemic is that our investments in technology have paid tremendous dividends for our staff and our clients. Our use of current and vendor-supported servers, multiple backup devices, power backup, enhanced firewall, dual authentication, strict encryption policies, malware and virus software protection, “Know BE4” training and constant staff testing and training to prevent spam, ransomware, and virus intrusion, routine IT risk assessment, and related staff training are some of the measures we have made to protect client data and enhance our staff’s knowledge of technology risks, practices and awareness. All of these systems enhancements and quality control measures provide our staff with all of the necessary tools to perform efficiently, effectively and securely.

To remotely connect to our office, our authorized personnel use Remote and Virtual Desktop Services with encryption and two-factor authentication. Remote and Virtual Desktop Services allow access to information quickly and permit us to swiftly deploy email and essential programs to our remote employees. Access to information on the servers is protected using Active Directory to prohibit unauthorized access.

A Private Client Portal, Sharefile, is provided for Secure E-Mail Transfer. The portal allows us to communicate and make critical documents available instantly to our clients. The secure e-mail transfer allows encrypted uploads and downloads of documents between our clients and personnel.

Remote Access

Our ability to work remotely from our office and our employee’s homes, have kept all of our current engagements moving and we have been able to meet all of our deliverables on time. Our ability to download and transmit client data and perform procedures remotely has become the norm in the past few years. Most of our out-of-state, and some Tallahassee clients require little, if any, on-site presence. The benefit to our clients is efficiency, both in terms of 1) cost (no travel time or expense), 2) less interruption to client staff, and 3) less use of clients’ office space.

Quality Control Procedures and External Peer Review

The quality control procedures adopted by LRCM meet all the necessary standards required by membership in the American Institute of Certified Public Accountants. There are five essential elements of our quality control document:

1. Independence, integrity and objectivity;
2. Personnel management;
3. Acceptance and continuance of clients and engagements;
4. Engagement performance; and
5. Monitoring.

Included in these policies and procedures is the requirement that all audit reports, reports on internal control and compliance with laws and regulations and management letters undergo pre-issuance review by an independent review partner (quality assurance partner).

As a member of the American Institute of Certified Public Accountants, LRCM has undergone triennial external peer reviews since 1990. Our most recent external peer review was conducted in August 2020. This included a review of all of our attest engagements, including: not-for-profit, for-profit, governmental entities and employee benefit plans. We received a “Pass” rating. A copy of our 2020 peer review letter is provided on the following page.

Additionally, our firm conducts an intensive internal quality control review of a sample of our engagements each year. Governmental and single audit engagements are always included in the sample for our external and internal reviews.

2020 Peer Review Report for Law, Redd, Crona & Munroe, P.A.



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Report on the Firm's System of Quality Control

August 14, 2020

To the Shareholders of Law, Redd, Crona & Monroe, P.A.
And the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Law, Redd, Crona & Monroe, P.A. (the firm), in effect for the year ended March 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Law, Redd, Crona & Monroe, P.A. in effect for the year ended March 31, 2020 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Law, Redd, Crona & Monroe, P.A. has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Prida Guida & Perez".

Prida Guida & Perez, P.A.

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

ENGAGEMENT PERSONNEL AND RESUMES

Engagement Personnel and Resumes

Successful engagement performance requires a strong functional organization. Our basic approach to selecting an engagement team is based on the need for close coordination, carefully defined responsibilities and lines of communication and constant quality control throughout all phases of the engagement. These objectives can only be accomplished using a strong engagement team with effective management and control features.

We have assembled a talented client service team to serve CCOC. Each team member has specific experience with similar entities and they have the capability to perform the engagement in a timely manner. All members of the engagement team meet continuing education requirements of the Florida State Board of Accountancy and *Government Auditing Standards*. Please see detailed resumes for each team member at pages 9 to 12.

Dana Powell, CPA will serve as the Engagement Partner and will be the primary contact for CCOC staff on this engagement. Dana has over 22 years of experience in providing auditing, accounting, consulting and general business advice to clients in government, not-for-profit, and a wide range of industries. In addition, she served as engagement partner on CCOC's most recent two audits. Dana's responsibilities include overall engagement management from planning to report issuance. She is also available to you throughout the year to discuss and assist in resolving any issues or concerns you may have. She will work closely with other staff professionals and partners on a day-to-day basis in coordinating the audit process with the engagement team and CCOC management.

Delia Finnerty, CPA will serve as Quality Assurance Partner on the engagement. Delia has over 14 years of experience in providing auditing, accounting, and management advisory services to clients in not-for-profit, government and a wide range of for-profit industries. She will work with the audit team to ensure quality accounting and auditing services as well as offer advice as to how we can assist CCOC in meeting its objectives and goals. She will also perform a technical review of all reports issued in connection with the engagement.

Kathy Kohlman, will serve as Senior Auditor. Kathy has over 5 years of experience and will be responsible for coordinating the timing of fieldwork and planning of the engagement. She will oversee documentation of all significant transaction cycles and internal control components, and will identify key aspects of internal control and compliance areas for testing and review all related workpapers and conclusions. Jointly with the engagement partner, she will develop the audit plan, incorporating the results of control testing, risk assessments and interviews into the planned substantive and analytical testing procedures for each audit area. She will review all workpapers performed by staff accountants, prepare summary level documents for the audit file, and provide regular status updates to appropriate client personnel to ensure adherence to established timelines.

Jonathan E. Ingram, CPA.CITP, CISA, CGFM will serve as the IT Audit Manager. Jon has over 35 years of IT related experience. He will document CCOC's IT environment, including internal control over physical and virtual access, backup procedures, security measures and monitoring procedures. Where feasible and necessary, Jon will design and perform tests of IT controls. Jon will also document results of testing and communicate conclusions regarding IT risk to the audit manager for inclusion in the overall risk assessment profile.



Dana D. Powell, CPA
Engagement Partner

Florida License Number AC33795

Education

Dana graduated from Florida State University with Bachelor of Science degrees in Accounting and Finance. Her continuing professional education exceeds the requirements of *Florida Statutes* and *Government Auditing Standards*.

Experience

Dana has over 22 years of accounting and auditing experience serving governmental, not-for-profit, and for-profit organizations. Her responsibilities as an audit partner consist of staff supervision, planning, fieldwork, and report preparation in the areas of financial audits, attestation, and fiscal monitoring engagements. Her specific skills include planning, budgeting, staffing, fieldwork, review, report preparation on audit engagements and federal and state single audit testing and reporting.

***Professional and
Business
Affiliations***

Florida Institute of Certified Public Accountants

- Accounting Careers and Education Committee, Member
- Women in Leadership Committee, Former Member

American Institute of Certified Public Accountants

Florida Government Finance Officers Association, Big Bend Chapter

Association of Government Accountants, Tallahassee Chapter



Delia F. Finnerty, CPA
Quality Assurance Partner

Florida License Number AC42986

Education

Delia graduated from Florida State University with Bachelor of Science degrees in Accounting and Finance and a Masters of Accountancy Degree. Her continuing professional education exceeds the requirements of *Florida Statutes* and *Government Auditing Standards*.

Experience

Delia has over 14 years of accounting and auditing experience serving not-for-profit, for-profit, and governmental entities to include audits performed in accordance with *Government Auditing Standards* and the Uniform Guidance. Her responsibilities include staff supervision, planning, fieldwork, report preparation and presentation of reports to management and governing bodies, as well as overall coordination of the engagement between clients and Firm personnel.

***Professional and
Business
Affiliations***

Florida Institute of Certified Public Accountants

- Council Member-at-Large
- Audit Committee, Member
- State Legislative Policy Committee, Member
- Accounting Careers and Education Committee, Former Member
- Young CPA Committee, Former Member and Past Chair
- FSU Accounting Conference Planning Committee, Former Member and Past Chair
- Membership Committee, Former Member and Past Chair
- Tallahassee Chapter, Director and Past Chair

American Institute of Certified Public Accountants

Association of Government Accountants, Tallahassee Chapter

Hang Tough Foundation, Treasurer



Kathy Kohlman
Senior Auditor

Education

Kathy graduated from Florida State University with a Bachelor of Science in Accounting. Her continuing professional education exceeds the requirements of *Florida Statutes* and *Government Auditing Standards*.

Experience

Kathy has over 5 years of accounting and auditing experience with LRCM serving governmental, not-for-profit, and for-profit organizations. She has performed internal control and compliance testing in accordance with *Government Auditing Standards* and the Uniform Guidance. Her responsibilities as audit senior consist of planning, fieldwork, staff supervision and review and report preparation.



**Jonathan E. Ingram, CPA.CITP, CISA, CGFM
IT Audit Manager**

Florida License Number AC15351

Education

Jon graduated from Florida State University with a Bachelor of Science Degree with a major in Accounting and is a Certified Public Accountant, Certified Information Technology Professional, Certified Information Systems Auditor, and Certified Government Financial Manager. His continuing professional education exceeds the requirements of *Florida Statutes* and *Government Auditing Standards*.

Experience

Jon has over 35 years of IT-related experience, including over 30 years of information technology (IT) auditing experience with the Florida Auditor General. Since July 2013, Jon has been an IT Audit Manager with LRCM, where he has brought his vast IT auditing knowledge, skills, and experience to audits of state and local governments and not-for-profit corporations, and he has helped our clients enhance their management and control of IT environments and systems.

***Professional and
Business
Affiliations***

American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
Information Systems Audit and Control Association
Association of Government Accountants, Tallahassee Chapter
National State Auditors Association, e-Government Committee
(2004-2013)

AUDIT APPROACH

Audit Approach

Overall Audit Approach

Our audit approach represents our commitment to provide CCOC with the highest quality professional services available. Our staff will be dedicated to providing you with personal service, whenever needed. We will bring our firm's technical expertise and governmental experience to bear on the engagement, and use the most advanced approaches and techniques in conducting the audit. We will provide timely responses on all matters, having the full support of our firm, so that we are fully responsive to your day-to-day needs and expectations.

Based on the preliminary information gathered, and our prior experience, we have developed a customized engagement plan for serving CCOC. One of the most important considerations in the selection of independent auditors is their ability to perform and complete the work in a timely and efficient manner with minimum interference with your day-to-day operations and to your personnel. Our first priority will be to review our audit plan with management and make any necessary revisions so that our work will be scheduled at times that are most convenient for your personnel.

The following key elements of our audit approach will enable us to achieve our objective of providing the most responsive service:

- Top level planning of the audit
- Early identification and resolution of problems
- Risk assessment
- Advanced auditing techniques
- Engagement scheduling and coordination
- Communications with CCOC
- Continuity of engagement personnel

Top Level Planning of the Audit

We have a thorough understanding of your operations, which is essential to effective and responsive service. Our services will commence with an update of your current financial operations, business objectives, risks and internal controls. The objective will be to incorporate any changes to your service needs and to ensure our services are totally responsive to those needs.

Industry Standards and Implementation Issues

The firm recognizes the importance of governmental entities to our community and we have developed a team of professionals dedicated to the public sector industry. The engagement team included in this proposal has collectively 75 years of experience serving public sector clients. The audit environment for governmental entities has become very technical and additional rules and professional regulations are being issued at a dramatic pace. For example, GASB Statement No. 87, Leases, will be effective for CCOC for the year ending September 30, 2022. This standard fundamentally changes lease recognition, measurement and related disclosures. An evaluation of new, proposed, or revised accounting or auditing pronouncements and changes in regulations is included in the planning stage of each audit engagement. Applicable items are identified and discussed at the initial planning meeting with the engagement team. These matters are also discussed with clients to address any implementation issues that may arise. In addition, throughout the year, we keep in close contact with management and provide guidance on various accounting transactions. As auditors, we appreciate CCOC's proactive attitude to ensure correct accounting for unusual or complicated transactions.

Audit Effort and Focus

Our audits are risk-based and will focus on the critical areas of CCOC. Using this risk-based approach and based on prior audits performed, our engagement team will focus its procedures on the following critical areas:

- Cash receipts and disbursements
- Updates to GASB standards that may impact CCOC's 2022 financial reporting
- Pension adjustments, balances and disclosures
- Compliance testing for major state projects
- Any areas of concern to the Executive Council

Early Identification and Resolution of Problems

One of our objectives on all audit engagements is to eliminate last minute surprises. We will focus on areas for special attention and evaluate internal accounting controls. We will meet with management as soon as possible to discuss any accounting, auditing and reporting issues that require your attention for immediate resolution. Focusing on new accounting and reporting pronouncements that require resolution with your management prevents the delay from potential difficulties and minimizes pressures and staff disruptions as deadlines approach.

We will be available to meet with your management whenever necessary. We believe that such meetings are a key to maintaining effective communication, resolving problems on a timely basis, and alerting you to changing conditions in time for effective action to be taken. Our objective will always be to stay current on your operations so that we can be an effective resource to your management.

Risk Assessment

We have developed an approach that includes the performance of risk assessment procedures to update our understanding of CCOC and its environment, including its internal controls. We understand and evaluate each of the five components of the entity's internal control, specifically: the entity's control environment; risk assessment process; the information and communication system, including the related business processes relevant to financial reporting; control activities; and management's monitoring of controls. Our understanding includes knowledge about the design of relevant policies, procedures and records and whether they have been implemented. We use this knowledge to identify types of potential misstatements, consider factors that affect the risk of material misstatement, whether due to error or fraud and design the nature, timing and extent of further audit procedures. Our risk assessment includes focusing on the critical areas of CCOC, so that our audit procedures are both effective and efficient.

Advanced Auditing Techniques

Our firm recognizes that to meet the increasing complexity of our clients' information systems and the rising cost of performing audits, it is essential to remain abreast of the latest developments in advanced auditing techniques and procedures. We remain committed to obtaining and updating the latest techniques and procedures through our extensive audit library, our audit software and frequent accounting and auditing seminars with an emphasis on governmental accounting.

Engagement Scheduling and Coordination

We understand that CCOC's final audit reports are to be delivered to the Executive Council in March.

Communications with CCOC

We take an objective, business approach to audit services so that we can be an effective resource to management of CCOC throughout the year. Our concept of responsive audit service goes far beyond the routine, once-a-year audit of the financial statements. We believe that truly responsive service requires year-round attention to the financial and operational matters of CCOC. That means being a resource to management throughout the year to provide timely advice and assistance in financial, administrative and other matters, as well as performing an efficient, top quality audit.

Our audit service team will keep your objectives in mind and will be alert for ways in which we can assist you in optimizing the effectiveness of your operations. While performing the audit, we will develop constructive, practical suggestions on opportunities for improving internal controls and accounting procedures as well as for strengthening overall management control. We will combine our technical expertise with business insight and specialized knowledge in each of your areas of business in considering possible strengthening of your financial structure.

Continuity of Engagement Personnel

As a matter of policy, once an assignment is made, we endeavor to maintain continuity of the audit team. Because of promotions, attrition, and other personal situations, responsibilities and personnel changes do occur. We will endeavor to maintain the audit team presented to you in this proposal intact through the term of the engagement. In the event a personnel change is necessary, you can be assured that an equally qualified and capable individual will be assigned to your engagement, subject to your approval. If requested, qualifications of replacement personnel will be furnished to your staff prior to joining the engagement team. All members of the engagement team presented in this proposal have prior experience working on CCOC's audit.

LRCM has an excellent record for employee retention. The primary reason is the philosophy of the partners of maintaining a reasonable balance in our employees' personal and professional lives. Our year-round audit workload provides a steady work schedule that requires minimal overtime. These two factors contribute substantially to our high staff retention.

Approach in Reviewing and Auditing IT Systems

In connection with our review of existing IT practices, we will test for and identify general controls over the network, servers and work stations. We will also review the adequacy of file retention, backup, and disaster recovery procedures, along with the adequacy of controls over access to critical applications and data.

Our review will include an evaluation of the segregation of functions between the IT department and users because the lack of such segregation may permit the perpetration and concealment of errors and irregularities, unauthorized changes to master files, inaccurate or erroneous data, uncorrected errors, and lost, added or altered data. Also, the lack of segregation of functions within the IT department which could result in unauthorized access to information and in the perpetration and concealment of errors or irregularities. We will be concerned about such matters as whether there are formal controls over the authorization, testing, and implementation of system and program changes and whether there are preventive and detective measures to preclude unauthorized changes by IT personnel.

Upon completion of our review, we will make a preliminary evaluation of the potential effectiveness of your accounting control procedures and we will assess the likelihood of errors in the data produced by the system. This will provide us with a basis for tentatively deciding upon (a) the degree of reliance to be placed on various control procedures, (b) the nature, timing, and extent of the tests of the controls to be relied upon, and (c) the nature, timing, and extent of the auditing procedure needed to test the related account balances.

REFERENCES

References

Organization: **The Florida Bar**

Industry of Client: Governmental Entity

Date: 2016 – Present

Services Performed: Annual financial audit and tax services

Client Contact: Cynthia B. “Marcy” Jackson, CPA, Director, Division of
Administration and CFO
(850) 561-5600

Organization: **The Able Trust**

Industry of Client: State of Florida Component Unit – Not-for-Profit Corporation

Date: 2007 – 2012, 2014 – 2019, 2021 – Present

Services Performed: Annual financial and compliance audit, single audit of state grants,
and tax services (2007 – 2012, 2014 – 2019)
Professional Accounting Services (2021 – present)

Client Contact: Allison Chase, President and CEO
(850) 224-4493

Organization: **Florida Developmental Disabilities Council, Inc.**

Industry of Client: Special Purpose Government – Not-for-Profit Corporation

Date: 2011 – Present

Services Performed: Annual financial audit and single audit of federal and state grants,
and tax services

Client Contact: Lisa Taylor, Chief Financial Officer
(850) 488-4180

FEE PROPOSAL

Fee Proposal

We present the following statement of our understanding of the scope of services requested and the underlying conditions as they appear to us.

We will audit the financial statements of CCOC, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, for the fiscal year ending September 30, 2022 with the option to renew for two additional one-year engagements.

Our proposed fee is as follows:

Audit of financial statements for the year ended September 30, 2022	<u>\$15,900</u>
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The hourly rate for the services outlined in the RFQ for financial auditing services is \$150.

Our proposed fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. The fees presented above were developed with the understanding that CCOC will accurately prepare the requested documents, supporting schedules, and the financial statements, accompanying notes and supplementary schedules on a timely basis in order for us to begin the audit as scheduled, and that your staff will be available to answer questions throughout the audit. We will review the financial statement, notes and supplementary schedules for appropriate presentation and disclosure in accordance with GAAP and provide recommendations for any modifications to your financial statements. If the audit is not progressing as expected and significant time is incurred to complete the audit, we will notify you and quantify the amount in an additional bill. For any substantial additional services requested by CCOC, we will be certain to have a clear understanding with management, on scope and fees before we incur time.

LITIGATION / DISCIPLINARY ACTION

Litigation / Regulatory Actions

There has not been any litigation during the past 5 years involving LRCM or any engagement team member listed in the proposal relating to professional services.

No disciplinary action has been taken against LRCM by the Florida Board of Accountancy. There have not been any actions as a result of federal or state desk or field reviews of the firm's audits during the past five years. Additionally, there have been no complaints filed with the Division of Consumer Services within the Florida Department of Agriculture and Consumer Services, or with the Better Business Bureau.